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United States Senate

COMMITTEE ON SMALL BUSINESS

WASHINGTON, DC 20510-6350

August 23, 1999

The Honorable Aida Alvarez
Administrator
Small Business Administration
409 Third Street, SW
Washington, DC 20416

Dear Ms. Alvarez:

The Year 2000 (Y2K) computing crisis poses formidable challenges to all organizations, including the Small Business Administration (SBA). In that regard, the Committee on Small Business (Committee) requested that the General Accounting Office (GAO) verify that SBA's mission critical systems are fully prepared for Y2K.

While it is true that SBA made considerable progress with its Y2K compliance, the GAO study reports worrying problems with SBA's efforts to date, which conflicts with SBA's report of 100% Y2K mission critical compliance in its report to the Office of Management and Budget (OMB). The GAO concludes that "because of weaknesses in its Y2K software testing, and despite completing software repairs and performing integration and acceptance testing of its mission-critical systems, SBA lacks reasonable assurance that:

- software supporting key business processes has been tested and will function beyond 1999;
- systems will perform correctly beyond 1999;
- testing was adequately planned, conducted, and documented to help ensure that its systems will be Y2K ready; and
- its core business functions will be adequately supported and operate properly beyond 1999."

With only 4 months remaining, I am concerned that SBA will not have its mission critical systems fully tested and ready. This is unacceptable. I am, and will continue to be, extremely concerned about this situation and plan to require periodic reports from SBA through year 2000 on its progress in meeting this challenge. Specifically, starting September 7, 1999, I am requesting that SBA submit an update to the Committee detailing its progress in implementing the GAO recommendations. I am also requesting an update every thirty (30) days from September 7, 1999 through 2000.

Thank you for assisting us in this important matter. Please contact Paul Cooksey or Paul Conlon at 202-224-5175 should you have any questions regarding this report.

Sincerely,



Christopher Bond
Chairman